

'Appeals to Truman on Old P. O. Site

Merchants' Group Asks President to Probe Sale.
Cites Decade of Hitches

The Broad Street and Merchants' Association has appealed to President Truman to investigate the controversial sale by the Federal Government of the old Post Office site in Broad street.

Since the tract was abandoned in 1936 for the new building in Federal Square, it has been a sore point with merchants, who contend that the site is an eyesore and that a business building there would benefit the entire downtown area. The City Fathers also are unhappy about the hole in the ground because they are unable to collect taxes on the property.

In a letter to the President the merchants' group outlined the history of the property since the old Post Office was razed.

The synopsis prepared by the association follows:

Long Story
June 1, 1941—Bid of Samuel Bratter accepted by U. S. with \$50,000 down payment. Total was \$2,051,000, payable from 1942 through 1956 at interest rate of 3 1/2 per cent annually on unpaid balance. Title was to be passed February 27, 1951, with purchaser giving mortgage for balance then due. Under plan, property would not have become liable for city taxes until 1951.

July 6, 1948—Broad Street and Merchants' Association asked Maj. Gen. Philip B. Fleming, administrator, Federal Works Agency, for full details of present status of contract and full information as to any modifications or extensions granted Bratter. Also information as to what payments, if any, Bratter had made to the government and why no building had been erected.

September 1, 1948—Federal Works Agency replied that five modifications and extensions had been granted Bratter: first, dated September 19, 1941, deferred first installment of principal and interest due in 1942 and permitted the sum to be paid over a 10-year period.

Other Modifications
Second, dated July 18, 1942, deferred the 1943 and 1944 principal and interest payments and set up a new schedule of payments from 1945 to 1958 at an increase of interest from 3 1/2 per cent to 3 3/4 per cent.

Third, dated September 8, 1944, deferred the payments due in 1945, 1946, 1947 and set up a new schedule of payments extending from 1947 through 1960. Passage of title delayed from 1951 to 1955, thus extending the period of city tax exemption to 1955.

Fourth, dated January 5, 1945, delayed passage of title from 1955 to 1960, thus extending period of city tax exemption to 1960.

Fifth, dated November 27, 1946, recomputed interest and principal then due at \$2,468,548.38. Interest payments were deferred to November 27, 1950. Interest rate was reduced to 2 1/2 per cent. No principal payment was to be made until 1953. Date for final payment of \$2,108,322.87 was to be made in 1970.

Over the entire period total interest and principal payments would amount to \$3,990,617.47. Under this modification passage of title was deferred until 1970.

Since the enactment of the New Jersey statute dealing with executory contracts for sale of land, effective May 1, 1946, the date of passage of title had become unimportant for tax purposes.

Some Questions

September 7, 1948—Merchants Association asked whether contract had been

transferred to ABR Corp. before fifth modification; also information as to statements of Bratter upon which FWA had relied in making this modification.

September 17, 1948—Association requested FWA to give association proper notification and opportunity to be heard before any further modifications were granted.

September 23, 1948—FWA refused information sought by merchants on September 7 and September 17.

November 3, 1948—Association protested FWA's refusal and also requested agency to supply copy of original and subsequent financial statements filed by Bratter. This information was never supplied.

November 19, 1948—Merchants Association wrote FWA requesting immediate action to cancel contract on ground that rights and interests of the U. S. have been placed in jeopardy by reason of delays, unfulfilled promises and other actions of Samuel Bratter and the ABR Corp. since 1941.

November 26, 1948—Reply from FWA saying its attorneys had reviewed all phases of contract and regarded it as a legally binding obligation.

More Correspondence

January 7, 1949—Association wrote FWA citing legal grounds why government should seek cancellation of contract.

January 27, 1949—Letter from agency promised thorough review of entire matter. Extensive investigation began at this time.

June, 1949—Association learned FWA, after investigation, had recommended to the Department of Justice that suit be instituted by government for cancellation of contract on ground of fraud.

September 16, 1949—Assistant Attorney General A. Devitt Vanech informed association that he had turned matter over to FBI for a 30 to 60 day investigation.

March 20, 1950—Government filed suit in N. J. Federal District Court for cancellation of contract on grounds of fraud and lack of consideration in granting modification number five.

May 31, 1950—Assistant Attorney General Vanech assured association that the department had not altered its plans in any way to proceed with the case.

New Factor for Delay

November 28, 1951—Case set for pre-trial hearing. On motion of government, Judge Meaney postponed matter without date. Government attorneys stated that negotiations were under way for a settlement.

It was stated that the ABR Corp. was not willing to make any payment unless it could obtain allocations of building materials. It has made two applications to the National Production Authority and both applications have been denied.

November 28, 1951—Association demanded that Attorney General McGrath and Administrator Larson of the General Service Agency (successor to the Public Works Agency) reveal to the public full details of any tentative offer upon which the new delay is based.

December 6, 1951—Administrator Larson

replied that the matter of settlement was in the hands of the Justice Department.

December 6, 1951—William Armory Underhill, replying for Attorney General McGrath, said no useful purpose would be served by making information public as to the proposed settlement.

Another Refusal

December 11, 1951—Association informed McGrath that it believed this a matter about which the public should have full and frank information; asked plain, unequivocal answers to questions.

December 19, 1951—William Underhill, Assistant Attorney General, replying for McGrath, refused to give any further information, but stated that if "there is to be any change in the position of this department, the court will be advised." Underhill further stated that "this department is willing to consider any offer from any one for a settlement of this litigation through purchase or through assignment of the existing sales contract."

December 27, 1951—Replied to Attorney General McGrath pointing out that department's action was in effect a sixth modification for exclusive benefit of ABR Corp.